

Message Text

PAGE 01 KHARTO 00064 111304Z

44

ACTION SS-30

INFO OCT-01 ISO-00 /031 W

----- 074834

R 111410Z JAN 74

FM AMEMBASSY KHARTOUM

TO SECSTATE WASHDC 7569

INFO USINT CAIRO

AMEMBASSY JIDDA

AMEMBASSY LONDON

S E C R E T KHARTOUM 0064

EXDIS

E.O. 11652: GDS

TAGS: PFOR, SA, EG, SU

SUBJ: POSSIBLE RED SEA "ECONOMIC UNION"

REF: A. JIDDA 0081; B. LONDON 00469

1. SUMMARY. SUDANESE DEVOUTLY HOPE FOR INCREASED COLLABORATION WITH SAUDIS IN ORDER ACQUIRE ESSENTIAL FUNDS, AND HOPEFULLY DISCOUNT-PRICE OIL, WITH WHICH TO PROSPER SUDANESE DEVELOPMENT. MULTIPLYING BILATERAL CONTACTS LAST FEW MONTHS SUGGEST THAT SOME CLOSER RELATIONSHIP OF TYPE MINPLAN NAZER FORECAST TO AMBASSADOR AKINS MAY BE IN CARDS, BUT WE QUESTION WHETHER "ECONOMIC UNION" IN LITERAL SENSE LIKELY MATERIALIZE SOON. END SUMMARY.

2. AMBASSADOR AKINS' CONVERSATION WITH SAUDI MINPLAN NAZER (JIDDA REFTTEL) SHED INTERESTING LIGHT ON SAUDI/SUDANESE MINUTET WE HAVE BEEN MONITORING HERE SINCE LAST FALL. WHILE WE DOUBT ANYTHING AS SPECIFIC AS "ECONOMIC UNION" IN LEGAL OR MONETARY SENSE LIKELY MATERIALIZE SOON, POTENTIAL COMPLEMENTARITY SAUDI/EGYPTIAN/ SUDANESE ECONOMIES, MASSIVE SAUDI FINANCIAL RESOURCES, AVAILABILITY TRAINED MANPOWER EGYPT, AND TO SOME EXTENT SUDAN, AND UNDER-USE SUDANESE IRRIGATION POTENTIAL
SECRET

PAGE 02 KHARTO 00064 111304Z

ALL MAKE CLOSE ECONOMIC AND DEVELOPMENTAL COLLABORATION NOT ONLY MEANINGFUL BUT MANDATORY FROM STANDPOINT GOS.

3. EVER SINCE VISIT SAUDI FINANCIER KASHOGGI LAST SEPTEMBER (JIDDA 218, NOTAL), LIKELIHOOD MAJOR DEVELOPMENT PROJECTS HERE (AGRICULTURE, OIL REFINERY, MERCHANT BANK, AIRPORTS), PRESUMABLY EMPLOYING SAUDI CAITAL, HAS BEEN SUBJECT INCREASING DISCUSSION. FOR EXAMPLE, \$110 MILLION RANCHING SCHEME IN ATBARA AREA DISEASE FREE ZONE CURRENTLY RUMORED "FINALIZED". WHILE INVESTIGATION THESE AND OTHER PROJECTS HAS BEEN INTENSIFYING, DIRECT SUDAN OFFICIAL CONTACTS WITH SAG HAVE ALSO MULTIFIED. IN PARTICULAR, ELFIN, ENERGETIC DR. BAHA AL-DIN IDRIS, MINSTATE SPECIAL AFFAIRS AT PRESIDENCY (AND NIMEIRI'S PRIMARY AGENT FOR PUSHING AD HOC DEVELOPMENT) VISITED SAUDI ARABIA MID-NOVEMBER FOR DISCUSSIONS RE SAUDI SUPPORT GOS DEVELOPMENT, ACCOMPANIED NIMEIRI ON HIS NOV 22 RIYADH VISIT (KHARTOUM 2572 NOTAL), RE-VISITED SAUDI ARABIA LATE DECEMBER JUST PRIOR NIMEIRI'S DEPARTURE ON PILGRIMAGE (KHARTOUM 2819 NOTAL) AND NOW AGAIN IN JIDDA. IDRIS' ROLE IS CLEARLY TO GENERATE MAXIMUM MOMENTUM SUDANESE DEVELOPMENT IN ORDER BUILD DOMESTIC SUPPORT FOR NIMEIRI REGIME. SPECIAL SUDANESE PROBLEM CAUSED BY RECENT MASSIVE PETROLEUM PRICE HIKES HAS PROVIDED ADDITIONAL INCENTIVE GOS TO DEVELOP CLOSE TIES WITH SAUDIS IN HOPE OBTAINING PETROLEUM AT DIFFERENTIAL PRICES. THIS CONNECTION, WE UNDERSTAND THAT UNLESS GOS ABLE SCRAPE TOGETHR FOREIGN EXCHANGE FOR ESSENTIAL CRUDE CARGO DUE PORT SUDAN JANUARY 20, IT LIKELY BE DIVERTED.

4. TO FOSTER SAUDI/SUDANESE ECONOMIC "COLLABORATION", PRESIDENT NIMEIRI HAS IN RECENT MONTHS ENDEAVORED MAXIMIZE HIS USEFULNESS TO KING GAISAL THROUGH HIS "OPENING TO THE VATICAN" AND SUDAN'S MUCH-TOUTED ROLE AS "BRIDGE" TO AFRICA, WHICH MOST RECENTLY EXEMPLIFIED BY SUDANESE CHAIRMANSHIP SPECIAL OAU OIL COMMITTEE (ADDIS 0343). ON JERUSALEM ISSUE, WHICH NIMEIRI MAY WELL REGARD AS LITMUS TEST HIS STANDING WITH FAISAL, THERE IS CIRCUMSTANTIAL INDICATION (KHARTOUM 2819) FAISAL MAY NOT HAVE BEEN OVERJOYED AT RESULTS VATICAN MEETING.

SECRET

PAGE 03 KHARTO 00064 111304Z

IN NAY CASE, WE NOTE FROM GOS PRESS BULLETIN THAT NIMEIRI WENT OUT OF HIS WAY IN JIDDA PRIOR RETURNING HERE LATE JANUARY 9 TO PROVIDE GLOSS ON VATICAN COMMUNIQUE TO EFFECT THAT JERUSALEM "SHOULD NOT REMAIN UNDER ARMED GRIP OF SPSCWX PXW (BUT THAT) ARABS, OF ALL RELIGIONS, WERE ENTITLED EXERCISE CONTROL OVER JERUSALEM". MEANWHILE, SUDANESE/SAUDI CONTACTS APPEAR HAVE DRAWN THE TEETH OF POTENTIAL TROUBLING ELEMENT IN RELATC3 BETWEEN TWO COUNTRIES REPRESENTED BY ITINERENT SUDANESE EXILES. MOREOVER, DISENCHANTED WITH CALAMITOUS EXPERIENCE WITH SOCIALISM IN FIRST TWO YEARS NIMEIRI REGIME, PRESIDENT HAS SINCE REVERSED FIELD AND PRIVATE ENTERPRISE HERE NOW BEING FOSTERED BY SPECIAL CONCESSIONS.

WHILE GOS TO DATE SOMEWHAT DISAPPOINTED IN AMOUNT
SAUDI DEVELOPMENT CAPITAL WHICH HAS MATERIALIZED IN
WAKE THESE CHANGED ECONOMIC POLICIES, JAN 10 LOCAL
PRESS HAPPILY REPOLTS "IMPORTANT FINANCIAL MEETING";
NOW SCHEDULED KHARTOUM IN FEBRUARY 6
AT WHICH REPS
SAUDI ARABIA AND GULF STATES WILL DISCUSS "INVESTING
THEIR SURPLUS OIL MONIES IN ECONOMIC DEVELOPMENT OF
SUDAN".

5. ALL OF FOREGOING SUGGEST THAT CLOSER SAUDI/SUDANESE
RELATIONSHIP SOMEWHAT ALONG LINES FORECAST BY NAZER
CLEARLY IN CARB.
WHETHER NIMEIRI'S CONTINUING ROLE ON
ARAB/AFRICAN ISSUES, E.G. JERUSALEM, WILL BE SEEN AS HELPFUL
BY KING FAISAL, AND WHETHER SAUDIS ARE IN FACT PREPARED MAKE
SPECIAL DISPENSATION FOR SUDAN ON OIL SUPPLY ISSUE ARE TWO
ASPECTS RELATIONSHIP WHICH MAY WELL INFLUENCE TEMPO OF
MINUET.
BREWER

SECRET

<< END OF DOCUMENT >>

Message Attributes

Automatic DecapTIONing: Z
Capture Date: 27 JUL 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, FOREIGN RELATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 JAN 1974
DecapTION Date: 28 MAY 2004
DecapTION Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974KHARTO00064
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: 11652 GDS
Errors: n/a
Film Number: P750001-1719
From: KHARTOUM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740174/abbrzavl.tel
Line Count: 131
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ACTION SS
Original Classification: SECRET
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: SECRET
Previous Handling Restrictions: EXDIS
Reference: A. JIDDA 0081; B. LONDON 00469
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 19 JUL 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19-Jul-2001 by boyleja>; APPROVED <18 DEC 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: POSSIBLE RED SEA "ECONOMIC UNION"
TAGS: PFOR, SU, SA, EG, US
To: STATE INFO CAIRO
JIDDA
LONDON
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005